

Town of Rockport

Minutes of Finance Committee Meeting October 14, 2015

The committee convened at 7:00 pm at the Police Station and adjourned at 9:20. Chairman Laurene Wessel presided; Beth Dailey, Ian Crown, Wally Hess, Mike Hughes, June Michaels, Melissa Tingley and Bill Wagner attended.

Minutes

A motion was made and seconded, and the committee approved the minutes of September 14.

Reserve Fund Transfer Request by Library Director Cindy Grove

A request was made by Cindy Grove Library Director for a reserve fund transfer in the amount of \$11,021.00 as the current library budget is less than the amount required to keep the library in compliance with Commonwealth of MA. Municipal Appropriation Requirements

If a library does not receive this minimum amount from the town budget, it faces the prospect of decertification by the Commonwealth. Decertification, aside from the public relation consequence, means loss of state aid, (which was about \$7000 in 2015), and that residents can no longer enjoy the benefits of membership in the Merrimack Valley Consortium (mainly access to a common collection of paper and ebooks). The problem occurred because of a vacancy in leadership in the library left the 2016 budget mistakenly level funded, the budget was decreased due to a reduction in director salary and the three year average budget (a key input in determining MAR) got a fully indexed bump due to the 2014 addition of utility costs to the budget.

Mike Hughes moved to approve the expenditure, Laurene seconded and the motion was approved.

Projected FY 2017 Budget Deficit

Wally and Bill had prepared and disseminated a document examining some of the issues likely to arise in 2017 budget planning. A discussion ensued of considering the early warning Re FY17 projected budget deficit. We considered the prepared forecast and the underlying expense assumptions. Also considered were the likely levels of future revenues. We suspect that there will need to be cuts made in to cover the net shortfall. We recommended that we ask the Board of Selectmen and Town Administrator that they consider the necessary choices that could conceivably cover this estimated \$665k shortfall. We also discussed the eventual necessity of providing for the funding of oped. Various committee members shared their perceptions regarding the situation.

We discussed the best way to present our findings to the Board of Selectmen, and the motion was made, seconded and approved to send the entire draft document as discussed to the Town Administrator. The vote was not unanimous. Chairman Laurene Wessel and Melissa Tingley suggested that further study was needed before sending this document to the Selectmen. She suggested that each department come to future Finance Committee meetings and present their prospective budgets. Moving forward we could use the information collected to formulate the budget to be presented at STM.